

## PART II

Sec. II-1. 5 MRSA §12004-I, sub-§18-C is enacted to read:

<u>18-C.</u>	<u>Advisory</u>	Expenses	<u>20-A</u>	<u>M</u>
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<u>Education</u>	<u>Board of the</u>	<u>only</u>		
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	<u>Maine</u>			
	<u>Learning</u>			
	<u>Technology</u>			
	<u>Endowment</u>			

Sec. II-2. 20-A MRSA §19101, as enacted by PL 1999, c. 731, Pt. FFF, §1, is amended to read:

### **§19101. Establishment of Maine Learning Technology Endowment; source of funds**

The Maine Learning Technology Endowment, referred to in this chapter as the "endowment," is established. The endowment consists of certain funds dedicated by the Legislature and by other private and public sources for the advancement of learning technology for kindergarten to grade 12 in Maine.

Sec. II-3. 20-A MRSA §19102, as enacted by PL 1999, c. 731, Pt. FFF, §1, is amended to read:

### **§19102. Endowment purpose and plan**

**1. Purpose.** The endowment must be used to enable the full integration of appropriate learning technologies into teaching and learning for the State's elementary and secondary students. The endowment must be managed and governed in a manner that provides for the financially sustainable support, use and integration of learning technology in Maine schools as determined by the Legislature.

**2. Learning technology plan.** The use of the endowment must be based on a state learning technology plan, referred to in this section as the "plan," developed annually beginning for school year 2002-03 by the commissioner with the advice of the advisory board established under section 19109 and adopted by the Legislature. The annual plan must be designed to achieve the goal of preparing students for a future economy that relies on technology and innovation.

The plan developed annually by the commissioner and the advisory board must include, but is not limited to, consideration of the following:

A. The appropriate structure, governance and oversight of the endowment;

B. The current use of learning technology in classrooms in the State;

C. The current readiness of faculty to use technology in teaching;

D. The professional development needed to integrate technology into classroom teaching;

E. Assessment of the strategy and goals for improving and equalizing access to and the use of learning technology in all schools;

F. A plan for implementing the plan in several phases, with Phase I implementing the plan for all schools, students and teachers at the 7th and 8th grade levels;

G. Strategies that coordinate the resources and goals of the endowment and the plan with a network of schools and libraries in the State administered by the Public Utilities Commission and the telecommunications education access fund;

H. Strategies that coordinate learning technology in kindergarten to grade 12 education with initiatives and resources of the State's postsecondary education institutions; and

I. Data tracking and assessment of the progress of implementing the goals of the endowment and the plan.

**3. Guiding principles for plan.** The plan must be consistent with the following guiding principles:

A. Equity. The plan must promote equal opportunity for and provide meaningful access to learning technology resources for students who are economically disadvantaged or have special needs;

B. Integration with the system of learning results established in section 6209. The plan must support student achievement of the system of learning results through the integration of learning technologies that are content-focused and that add value to existing instructional methods;

C. Sustainability and avoidance of obsolescence. The plan must provide future sustainability of learning technology resources to adapt to future educational needs and to avoid obsolescence of learning technology resources;

D. Teacher preparation and professional development. The plan must provide effective preparation, professional development and training programs for teachers and other educators in the use and integration of learning technology tools in curriculum development, instructional methods and student assessment systems; and

E. Economic development. The plan must foster economic development across all regions of the State and the preparation of students for an economy that is dependent upon technology.

**Sec. II-4. 20-A MRS §19103**, as enacted by PL 1999, c. 731, Pt. FFF, §1, is repealed and the following enacted in its place:

**§19103. Finances of endowment**

**1. Endowment assets.** The endowment includes all assets, funds and holdings held in the name of, on behalf of or for the benefit of the endowment. This is a nonlapsing fund the sources of which include all appropriations and allocations by the Legislature to the endowment; cash, stocks, cash equivalents or the equivalent value of goods and services that are consistent with the guiding principles established under section 19102, subsection 3 from any other source, whether public or private, designated for deposit into or credited to the endowment; and interest or other income or assets of the endowment.

**2. Fundraising plan.** The commissioner and the Commissioner of Administrative and Financial Services shall, for the duration of the endowment, identify and submit grant and fundraising proposals in support of the priorities of the learning technology plan established pursuant to section 19102 to federal, corporate, foundation or other 3rd-party sources as appropriate.

In conjunction with the advisory board established under section 19109, the commissioner and the Commissioner of Administrative and Financial

Services shall develop a plan for fundraising and identifying grant sources that is designed to raise sufficient funds to enable the learning technology plan to expand to the secondary school level. The fundraising plan must identify specific funding sources, as appropriate, timelines and an assessment of the probability of success.

In order to preserve the integrity of the educational purposes of the learning technology plan, all fundraising and grant proposals must be consistent with the goals and terms of the learning technology plan. The commissioner and the Commissioner of Administrative and Financial Services in conjunction with the advisory board established under section 19109 shall develop any necessary guidelines for fundraising and grant proposals in order to carry out this requirement.

**Sec. II-5. 20-A MRSA §19104**, as enacted by PL 1999, c. 731, Pt. FFF, §1, is repealed and the following enacted in its place:

**§19104. Fiduciary roles and responsibilities**

The Commissioner of Administrative and Financial Services, referred to in this section as the "commissioner," shall act as fiduciary and fiscal agent with respect to the management and administration of the endowment. The commissioner may accept donations to the endowment consistent with the guiding principles established under section 19102, subsection 3. The commissioner shall ensure that donations to the endowment are segregated from other state assets, separately accounted for and held in trust on behalf of the State for the purposes specified in this chapter and for no other purpose. The commissioner shall enter into and administer an investment contract for the investment of endowment funds by an appropriate entity, including, but not limited to, the Board of Trustees of the Maine State Retirement System or another entity approved by the commissioner. The Treasurer of State shall review the proposed investment contract to ensure that the proposed investment management fees are reasonable for the investment management services provided.

**1. Investment of endowment.** If the commissioner determines that the Board of Trustees of the Maine State Retirement System is the appropriate entity to provide for the investment of endowment funds, the following provisions apply.

A. The Board of Trustees of the Maine State Retirement System shall invest the endowment in the same manner and according to the same investment policy and practices by which the board invests the assets of the Maine State Retirement System.

B. The Board of Trustees of the Maine State Retirement System shall treat the endowment as held in trust on behalf of the State for the purposes specified in this chapter and no other and shall separately account for the endowment as investment assets, attributing to the endowment its proportional share of investment returns and of investment management costs and expenses, including costs and expenses of the retirement system arising because of its investment of the endowment.

C. The commissioner and the Board of Trustees of the Maine State Retirement System shall develop jointly a memorandum of understanding, setting out their mutual understanding of the investment of the endowment, the related investment accounting and investment return and expense attribution.

**2. Audit of endowment.** The commissioner shall ensure adequate audit of the investment management of the endowment and the expenditures of the endowment each state fiscal year. If the investment of the endowment is managed by the Board of Trustees of the Maine State Retirement System, the audit must be conducted within the scope of the annual audit of the Maine State Retirement System or through separate audit as considered appropriate by the Board of Trustees of the Maine State Retirement System. Any separate audit must be reported to the Governor, the Legislature, the commissioner and the State Controller in as timely a manner as possible after the close of each state fiscal year.

**3. Use of endowment.** In addition to the budgeting guidelines pursuant to section 19105, in accordance with the annual learning technology plan established pursuant to section 19102, the income from the endowment may be used for necessary audit services, legal expenses, investment management fees and services and general administrative expenses related to the management and administration of the endowment. The principal and income of the endowment may not be used to implement the fundraising plan required pursuant to section 19103, subsection 2.

**4. Endowment term.** The commissioner shall manage the endowment as follows:

A. Prior to January 8, 2003 the commissioner shall take all reasonable and prudent steps to manage the investment, expenditures and cash flow of the endowment to ensure that the initial principal of the endowment, consisting of General Fund money appropriated by the State, is maximized and, to the greatest extent feasible, not diminished; and

B. After January 7, 2003:

(1) If contributions consistent with the guiding principles established under section 19102, subsection 3 totaling \$15,000,000 are received or pledged from other sources by January 7, 2003, the commissioner shall operate the endowment in a manner consistent with the learning technology plan in order to maintain in perpetuity any balances remaining at the close of the 2006-2007 school year. The commissioner shall take all reasonable and prudent steps to manage the investment, expenditures and cash flow of the endowment to ensure that the initial principal of the endowment is maximized and, to the greatest extent feasible, not diminished; or

(2) If the \$15,000,000 goal established in subparagraph (1) is not achieved by January 7, 2003, the endowment ceases to operate as an endowment and the commissioner shall manage the assets of the former endowment, including the use of the principal, in a manner that implements the learning technology plan through at least June 30, 2006.

In the annual learning technology plan submitted in the Second Regular Session of the 120th Legislature pursuant to section 19102, subsection 2, the commissioner shall provide to the Governor and the Legislature the status of efforts to raise necessary contributions and recommendations concerning the management of the endowment.

For purposes of this subsection, the term "contributions" means, without limitation, cash, stocks, cash equivalents or the equivalent value of goods and services but does not include funds from the General Fund, the Telecommunications Education Access Fund, the Maine Schools and Libraries Network account or the standard federal E-rate program. In the event that the \$15,000,000 contribution goal is not achieved by January 7, 2003, the balance of any and all contributions to the endowment must be dedicated to the learning technology plan unless a contributor expressly provides otherwise in a written instrument at the time of a contribution.

**Sec. II-6. 20-A MRSA §§19105 to 19110 are enacted to read:**

**§19105. Commissioner's recommendation for annual learning technology plan; guidelines and funding level**

**1. Annual plan recommendation.** Prior to December 15th of each year, the commissioner, after consultation with the advisory board established under section 19109 and the Commissioner of Administrative and Financial Services and after receiving the approval of the state board, shall recommend

to the Governor and the Department of Administrative and Financial Services, Bureau of the Budget the funding level for implementing the annual learning technology plan.

**2. Budget development.** The commissioner, with the assistance of the Commissioner of Administrative and Financial Services, shall prepare an annual budget for the implementation of the annual learning technology plan and exercise budgetary responsibility to carry out the plan. Annually, by January 1st, beginning on January 1, 2002, in addition to complying with the provisions of Title 5, sections 1665 and 1666, the commissioner shall present the operating budget for the endowment to the Governor and the Legislature for review by the joint standing committee of the Legislature having jurisdiction over education matters and the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs. The commissioner may make expenditures only in accordance with an allocation approved by the Legislature, and any liability or obligation may not be incurred under this chapter beyond the amount allocated by the Legislature.

**3. Guidelines.** The recommended funding level for the annual learning technology plan must include the known obligations and estimates of the following:

A. The level of expenditure for purchases of portable computing devices or the anticipated principal and interest costs for the year of allocation for leases and other appropriate financing arrangements, including leases under which the learning technology plan may apply the lease payments to the purchase of those devices;

B. The level of expenditures for software and services such as technical support and education intranet services;

C. Funds designated by the commissioner for professional development programs and services;

D. Funds designated by the commissioner for the expenditures for the alternative equivalent value factor. For purposes of this paragraph, "alternative equivalent value factor" means the ratio of funding provided to school administrative units that choose to provide an alternative equivalent learning technology plan that meets the guiding principles described in section 19102, subsection 3;

E. Funds designated by the commissioner for the purchase of kindergarten to grade 12 educational materials, including library databases; and

F. Funds designated by the commissioner for the purpose of making adjustments to the cash flow of revenues generated from the endowment.

**4. Funding level.** The Governor shall include in the Governor's biennial or supplemental budget submission, as applicable, an allocation from the endowment necessary to implement the learning technology plan.

#### **§19106. Governor's funding level recommendation**

The Department of Administrative and Financial Services, Bureau of the Budget shall annually certify to the Legislature the funding level that the Governor recommends for the annual learning technology plan. The Governor's recommendations must be transmitted to the Legislature within the time schedules set forth by Title 5, section 1666.

#### **§19107. Actions by Legislature**

The Legislature annually, prior to March 15th, shall enact legislation to allocate the funding level necessary to implement the annual learning technology plan. The Legislature may allocate for expenditure by the commissioner for eligible kindergarten to grade 12 schools and eligible programs under the commissioner's jurisdiction all the resources available for the programs involved in the annual learning technology plan.

#### **§19108. Actions by department**

Within the annual allocation, the department shall follow the procedures established under this section.

**1. Cash flow.** For the purpose of cash flow, the commissioner may pay the full payment amounts due on leases under which the learning technology plan may apply the lease payments to the purchase of portable computing devices, and the required amount to offset the payments may be transferred to the debt service portion of the account from other operating accounts.

**2. Report by commissioner.** The commissioner annually shall provide the advisory board with evaluation and outcome data relative to the implementation of the learning technology plan.

#### **§19109. Advisory board**

The Advisory Board of the Maine Learning Technology Endowment, referred to in this chapter as the "advisory board," is established to advise the commissioner and the Legislature on matters related to the development of



policies for the learning technology plan and the deployment of endowment proceeds to implement the learning technology plan.

**1. Membership.** In appointing the initial public members to the advisory board, the Governor, the President of the Senate and the Speaker of the House shall give proper consideration to the appointment of members of the Task Force on the Maine Learning Technology Endowment so that there may be continuity of policy development. In the appointment of public members to the advisory board the Governor, the President of the Senate and the Speaker of the House shall give proper consideration to members with experience or special knowledge in one or more of the following areas: education, business or economic development, technology, finance, library services and postsecondary education. Proper consideration also must be given to achieving statewide geographical representation, cultural equity and gender equity. The advisory board consists of 12 voting members as follows:

A. Eight public members, 4 of whom must be appointed by the Governor, 2 of whom must be appointed by the President of the Senate and 2 of whom must be appointed by the Speaker of the House;

B. One member who is a member of the state board, appointed by the chair of the state board;

C. One member representing public postsecondary education institutions who is employed by a public postsecondary education institution, appointed by the Governor;

D. One member representing the Maine State Library, appointed by the Director of the Maine State Library; and

E. One member representing the Public Utilities Commission, appointed by the chair of the Public Utilities Commission.

**2. Chair.** The advisory board shall choose annually one of its members to serve as chair. The chair may be elected to no more than 3 consecutive terms.

**3. Meetings.** The advisory board shall meet at least 3 times each year.

**4. Quorum.** Each member of the advisory board is entitled to one vote. A majority of voting members of the advisory board constitutes a quorum for the transaction of any official business.

**5. Terms of members.** Except as provided by the terms of initial appointments in this section, the terms of the members of the advisory board are for 3 years. Members may be appointed for consecutive terms. New

members must be appointed consistent with subsection 1, paragraphs A to E. Members representing the state board, public postsecondary education institutions, the Maine State Library and the Public Utilities Commission may serve on the advisory board only as long as they hold office in the respective entity. Terms of the initial appointments must be staggered as follows:

A. Terms expiring January 1, 2004 include one member appointed by the Speaker of the House, one member appointed by the President of the Senate, one member appointed by the Governor and the member representing the Maine State Library;

B. Terms expiring January 1, 2005 include one member appointed by the Speaker of the House, one member appointed by the President of the Senate, one member appointed by the Governor and the member representing public postsecondary education institutions; and

C. Terms expiring January 1, 2006 include 2 members appointed by the Governor, the member representing the state board and the member representing the Public Utilities Commission.

**6. Expenses.** Members of the advisory board must be compensated according to the provisions of Title 5, chapter 379.

**7. Appointment.** When a member leaves the advisory board, the appropriate appointing authority shall appoint a new member to serve out the remainder of the term.

**8. Staffing assistance.** The commissioner and the Commissioner of Administrative and Financial Services shall provide appropriate staff support to the advisory board.

#### **§19110. Powers and duties of advisory board**

The powers and duties of the advisory board include the following.

**1. Annual learning technology plan.** The advisory board shall advise the commissioner in developing an annual learning technology plan as described in section 19102, which must provide the basis for the annual allocation of funds by the Legislature from the endowment.

**2. Learning technology standards and measurements.** To measure the effectiveness of the learning technology plan, the advisory board may establish standards and methods of measuring progress in the levels of academic achievement for students who participate in the learning technology plan. The advisory board may also establish standards and methods of measuring progress in the professional development of teachers who

participate in the learning technology programs funded by the learning technology plan, as well as the impact of the learning technology plan on parents and lifelong learners and the economic impact on communities across the State. The advisory board may assess the impacts of the learning technology plan according to these standards and measurements.

**3. Scope of assessment role.** As part of its assessment role, the advisory board also may consider relevant strategic issues necessary to develop, maintain and support the achievement of the goals of the learning technology plan. These issues may include, but are not limited to, collaboration with the state board regarding the implications of the learning technology plan for pre-service teacher preparation and for standards-based teacher certification in the State as well as collaboration with other state agencies and state policymakers related to other strategic issues necessary to ensure the most cohesive system possible for planning, action and service in providing kindergarten to grade 12 educational opportunities.

**4. Annual report.** The advisory board shall report annually to the joint standing committee of the Legislature having jurisdiction over education matters and the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs on the general status of the finances and operations of the endowment and the learning technology plan, including the results of the assessments pursuant to subsections 2 and 3.

**Sec. II-7. Annual learning technology plan.** For the 2002-2003 school year, notwithstanding the Maine Revised Statutes, Title 20-A, chapter 801, and for the purposes of presenting the learning technology plan to be developed annually by the Commissioner of Education in consultation with the Advisory Board of the Maine Learning Technology Endowment pursuant to Title 20-A, chapter 801, the following components of the learning technology plan that were recommended by the Task Force on the Maine Learning Technology Endowment must be recommended by the Commissioner of Education and the Advisory Board of the Maine Learning Technology Endowment to be adopted, as appropriate, for implementation in the 2002-2003 school year. This annual learning technology plan must include the following elements as described in the Final Report of the Task Force on the Maine Learning Technology Endowment.

**1. Goal.** The goal of the Maine Learning Technology Endowment is to ensure a necessary level of access to technology, the Internet and training and learning opportunities for all public school students in the 7th and 8th grades and their teachers.

**2. Local participation.** All school administrative units may participate in the learning technology plan by submitting a letter of intent indicating their

willingness to participate. All students educated at public expense are eligible to participate in the program.

**3. Phase-in approach.** The learning technology plan must begin in school year 2002-2003 with a phase-in approach that begins with 7th grade students and extends in school year 2003-2004 to 8th grade students in public schools and then, dependent on the availability of funds, encompasses a high school expansion. The initial phase of the recommended program over the first 2 years must target all schools, students and teachers at the 7th and 8th grade levels. Phase I must encompass approximately 242 schools with grade 7 or grade 8, 32,500 students and 2330 teachers. As soon as practicable, based on 3rd-party fundraising or improved revenue and cost projections, the program may expand to all schools, students and teachers in grades 9 to 12. The Commissioner of Education and the advisory board annually shall assess the feasibility and recommended strategy for the expansion of the program to the high school level. The task force plan must serve as the learning technology plan in school year 2002-2003. The Commissioner of Education is authorized to take all steps reasonably necessary to implement Phase I of the plan for school year 2002-2003 and, for that school year only, to make expenditures and incur liabilities or obligations without prior approval under the Maine Revised Statutes, Title 20-A, section 19105, subsection 2. Notwithstanding the Maine Revised Statutes, Title 20-A, section 19104, subsection 4 and section 19105, subsection 2, the commissioner may use a portion of the initial principal of the Maine Learning Technology Endowment to ensure the timely start-up and implementation of Phase I of the learning technology plan.

**4. Coordination, utilization and expansion of existing technology infrastructure.** The learning technology plan requires the utilization of the Maine School and Library Network account, the Telecommunications Education Access Fund and the federal E-rate program to enable and complement the technology components that are supported by the Maine Learning Technology Endowment. Appropriate policymaking entities shall collaborate to ensure that the overall learning technology infrastructure of the State functions and expands in a coordinated fashion. The Public Utilities Commission shall enter appropriate orders or take appropriate actions to ensure that capacity is developed and expanded to provide external and internal network connections, technical support and toll-free home network access as recommended in the Final Report of the Task Force on the Maine Learning Technology Endowment.

**5. Plan.** The learning technology plan must provide for:

- A. Portable computing devices for every student and teacher with functional software appropriate to grade level;

- B. Obtaining basic research information and databases;
- C. An alternative equivalent value factor option to school administrative units if they meet the standards of the learning technology plan;
- D. Teacher technology and professional development;
- E. External and internal networks and technical support;
- F. Costs for replacement of portable computing devices, servers and other equipment; and
- G. An evaluation component.

**Sec. II-8. Fundraising plan.** The fundraising plan required by the Maine Revised Statutes, Title 20-A, section 19103 must be part of the learning technology plan submitted to the Second Regular Session of the 120th Legislature in accordance with Title 20-A, section 19102.

**Sec. II-9. Transfer of funds.** Notwithstanding the Maine Revised Statutes, Title 20-A, Part 9, the Commissioner of Administrative and Financial Services shall transfer \$20,000,000 from the Maine Learning Technology Endowment to the unappropriated surplus of the General Fund no later than August 1, 2001.

**Sec. II-10. Transfer of interest earned.** All income interest earned from the investment of endowment funds before August 1, 2001 must be transferred from the Maine Learning Technology Endowment fund account held by the Board of Trustees of the Maine State Retirement System to the undedicated General Fund account in the Department of Administrative and Financial Services by September 1, 2001.